

Moral disengagement in business and humanities majors: An exploratory study

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Abstract: This study measures moral disengagement of undergraduate business and humanities students with a focus on differences in moral disengagement between genders. Students completed a survey that consisted of 32 statements and were asked to determine the degree to which they agreed with each, using a 7-point Likert scale. The questions measured moral justification, euphemistic labeling, advantageous comparisons, diffusion of responsibility, distortion of consequences, attribution of blame, and dehumanization. Only one significant difference was found between the business majors and the humanities majors. However, several differences were found when comparing responses from males and females both for the total sample and within each major classification. Finally, when comparing females between majors, no differences were found. However, three differences were found when comparing males by major. The results suggest gender differences exist in moral disengagement tendencies.

Keywords: moral disengagement, business majors, humanities majors, undergraduates, corporate fraud

Cases of corporate fraud and unethical business practices have dominated recent headlines and become an increasing concern among our global community. There are now an increasing number of investigations into why individuals in business are committing fraudulent activities. Many of these individuals are highly educated and well respected, but of their own will or in an act of massive collusion have perpetrated fraud that has bankrupted organizations or in some cases contributed to a global financial crisis. Even more alarming is the fact that many of these individuals do not seem remorseful for the damage their actions have caused to communities and individuals' financial stability. In light of these incidents, it is important to consider whether business professionals are more susceptible to moral disengagement than professionals in other fields.

The major players in the massive accounting scandals that shocked the business world in the early 2000s and the 2008 financial crisis were all highly educated and knowledgeable men. For example, Jeffrey Skilling who is serving time for insider trading and securities fraud among other things for his part in the Enron scandal, and fellow conspirator Andrew Fastow both received MBAs from Harvard and Northwestern respectively. Kenneth Lay, former CEO of Enron, obtained not only his Master's in Economics but also his Ph.D. from the University of Houston. Scott Sullivan, who led the accounting scandal at WorldCom, majored in accounting for his undergraduate degree and went on to obtain his CPA certification. In addition to these examples, several banking executives who had pursued higher education still managed to become involved in the financial crisis of 2008. Although these professionals were most likely required to discuss the implications of ethical behavior in business at one point during their individual pursuits of degrees and certifications, many still found themselves embroiled in financial scandals.

These men worked hard to pursue higher education, and many of them held promising careers based on their talent and dedication to their individual industries. Fabrice "Fabulous Fab" Tourre, who received a master's degree from Stanford, was a talented young professional at Goldman Sachs. Tourre quickly worked his way up from an analyst to vice president and in 2005 helped create a rigged collateralized debt obligation for Goldman Sachs. Despite his seemingly hopeful future at Goldman, Tourre faces disbarment from Wall Street after his conviction on six counts of securities fraud. Tourre is the "first and only Wall Street banker" to be found guilty of charges related to the financial crisis (Cassidy, 2013). Similarly, notorious white-collar criminal Bernie Madoff built an empire out of his investment firm with the help of family members. Madoff worked to grow Bernard L. Madoff Investment Securities LLC and developed technology that would later become the NASDAQ (Bandler and Varchaver, 2009). Despite all his personal success, Madoff admitted to perpetrating a massive Ponzi scheme in the wealth management arm of his investment firm and is currently serving 150 years in a maximum-security prison. Tourre and Madoff are examples of individuals that despite working hard to create a reputation of determination and intelligence still participated in schemes that defrauded hundreds of investors.

Madoff, Tourre, and the participants in the early 2000s accounting scandals were all highly educated individuals with promising careers built through hard work. Because of increasing globalization, frauds performed in one country now have the ability to produce global consequences as seen in the 2008 financial crisis. The influence that ethics has not only over the business world, but also the global economies leads one to question if individuals who study business are more or less likely to engage in fraudulent activities than those who study other disciplines. Further, because fraudulent activities committed by men are far in excess of those

committed by women, gender differences may exist in regard to justification of unethical behavior. The purpose of this paper is to report the results of a pilot study measuring moral disengagement of undergraduate students in various disciplines. More specifically, this study will focus on measuring the moral disengagement of undergraduate business students and students studying humanities. Additionally, differences in moral disengagement between genders are investigated.

PRIOR RESEARCH

Albert Bandura developed the theory of moral disengagement in 1986, and his theory explained that individuals' "self-regulatory mechanisms do not operate unless they are activated" (Bandura, 2002). This theory attempts to explain why some individuals are able to suffer little or no stress from engaging in acts deemed unethical or unlawful by society. Bandura's theory indicates that high levels of moral disengagement allow one to disassociate from the results or implications of one's actions even if these actions will negatively affect others. In his research, Bandura proposed three categories of mechanisms used by individuals to achieve this dissociation. The first is cognitively restructuring behavior demonstrated with moral justification, euphemistic labeling, and advantageous comparison. The second is obscuring or minimizing one's active role in the behavior by displacing responsibility, diffusing responsibility, and disregarding or distorting the consequences of an action. The final category is focusing on the unfavorable acts or traits of those negatively affected by the dehumanization of victims and attribution of blame.

In the past, Bandura's theories of moral disengagement were mostly applied to societal issues, such as terrorism (Maikovich, 2005), the perpetration of inhumanities (Bandura, 1990), and school bullies (Obermann, 2011). After the incidents of the early 2000s and 2008, there has been a greater interest in applying Bandura's theories to business. Some studies have been industry specific such as a 2009 study, which looked at moral disengagement exhibited in harmful corporate research related to tobacco, lead, vinyl chloride, and silicosis (White, Bandura, and Bero, 2009). Other studies such as Claybourn's 2011 investigation looked into whether work related variables and moral disengagement influence negative work place behaviors such as work place harassment. Detert, Treviño, Baker, and Mayer (2008) looked into the effects of moral disengagement on unethical organizational behavior. Barsky (2011) and Anand, Ashforth, and Joshi (2005) researched moral disengagement and how it relates to the rationalization of unethical or corrupt acts in the workplace. Anand et al. even went as far as to claim that based on their study virtually every organization suffers from fraud.

With extensive media coverage and studies examining corruption in the business arena, many of these studies have used students as subjects to examine moral disengagement. Some studies focused on the general moral disengagement tendencies among students, such as Detert, Trevino, and Sweitzer's 2008 study, which compared moral disengagement tendencies among college freshmen majoring in business and freshmen majoring in education. The study tested the relationships between empathy, moral identity, trait cynicism, and locus of control compared to higher levels of moral disengagement. Ultimately, the study found a negative association between empathy and moral identity, but a positive association between trait cynicism and locus of control. The results indicated that there are higher levels of moral disengagement in business majors as compared to education majors.

Other studies focused on a particular behavior when testing moral disengagement tendencies. For example, Bing, Davison, Vitell, Ammeter, Garner, and Novicevic (2012) performed an experiment on academic cheating with college students. Morgan and Neal (2011) compared students' perceptions of ethical breaches with freshmen and upper level students in information systems courses. Baird and Zelin (2009) used undergraduate students to study whether a person committing fraud in a situation involving obedience pressure was judged less harshly than an individual committing fraud of their own volition. Bandura's theories are now more likely to be applicable to not only business professionals but also to students studying business. Each year more studies are being conducted using undergraduate students to research not only how these business students view and judge moral disengagement, but how those views and judgments differ over time and when compared to students in other disciplines.

METHOD

Investigations into moral engagement pertaining to students in both higher and lower education have incorporated Bandura's theory. The purpose of this paper is to report the findings of an exploratory study using undergraduate students who are earning bachelor degrees in business or in the humanities. This group was chosen for this study because of the importance of understanding the ethical inclinations of tomorrow's leaders in various fields. The survey was given to students taking a general education course at a small private liberal arts university in the southwest. The total enrollment in 15 sections of the course was 274 undergraduate students and 249 usable responses were received. This resulted in a 91% response rate. In order to analyze responses from the two subgroups of interest, any responses from students who were not majoring in business or in the humanities were discarded. The remaining sample consisted of 151 responses, of which 38 were completed by business majors and 113 by humanities majors. There were 62 males and 88 females who took part in the study. One respondent did not indicate gender and that response was not used when analyzing responses based on gender. The average age of the total sample was 18.75 years; the average age of males was 19.00 and females averaged 18.58 years.

The survey provided in the Appendix was adapted from Detert, Trevino, and Sweitzer (2008). Students were presented with a list of 32 statements and asked to determine the degree to which they agreed with each, using a 7-point Likert scale, with 1 indicating "strongly disagree" and 7 indicating "strongly agree." Questions 1 through 4 measured moral justification (MJ), questions 5 through 8 measured euphemistic labeling (EL), and questions 9 through 12 measured advantageous comparisons (AC). Questions 13 through 16 measured displacement of responsibility (DISR), questions 17 through 20 measured diffusion of responsibility (DIFR), and questions 21 through 24 measured distortion of consequences (DC). Lastly, questions 25 through 28 measured attribution of blame (AB), and questions 29 through 32 measured dehumanization (DEH). Responses to each subset of questions were summed to obtain the measurement for that part of the survey and a grand total (Alltotal) was obtained by adding all responses from each respondent.

Only responses from students majoring in business or humanities were analyzed in this study. Students majoring in the humanities generally receive a broader education and are usually thought to have less interest in a highly-paid, high pressure career than in finding a career path that leads to helping others. Typical humanities majors include philosophy, theology, sociology, psychology, international relations, English and education. Conversely, a business major's

curriculum is usually more narrowly focused on a selected discipline with an end-goal of preparing the student for a successful career in the business arena. Typical business majors include accounting, finance, marketing, international business and management. Thus, any differences between levels of moral disengagement between the two groups should be of interest.

RESULTS

First, the responses to the survey questions between business majors and humanities majors were analyzed. Results are shown in column two of Table 1 in the appendix. The responses to each question, each category, and the total score were analyzed. Of the 41 comparisons, only one was significantly different between the two groups. Column three of Table 1 shows the results of t-tests for differences between genders for the total sample. Twenty-two significant differences were found and in every case, responses from males averaged a higher score (more likely to agree with the statement) than responses from females. The question then arose whether gender differences within each school might exist. Therefore, t-tests were computed for response differences between genders within business and within humanities. Results are shown in columns four and five of Table 1, respectively.

Fourteen significant differences were found between responses from males and females for the business majors, and 18 were found for the humanities majors. Again, in every case, the average response for males was higher than the average response for females. Finally, the responses were divided into two groups based on gender to determine whether any differences could be found between the two schools. Results are shown in the last two columns of Table 1. No significant differences were found between schools for the females. For males, three significant differences were found and in every case the average score was higher for males majoring in business than for males majoring in humanities, indicating that male business majors agreed more strongly with the statement than did their counterparts majoring in humanities.

DISCUSSION

Based on these results, it seems that females are far less likely to justify immoral actions by using moral disengagement tactics. In every comparison where t-tests indicated a significant difference, the average response from females was lower than that for males, which indicates less agreement with the statement. This was true when analyzing results for the full sample between genders (Column 3 of Table 1) and within each school by gender (Columns 4 and 5 in Table 1). Further, no significant differences were found in the average responses from females majoring in business and those majoring in humanities (Column 6 of Table 1). Perhaps these findings should be expected, given past research on differences between the genders and moral development or moral judgment. For example, Lv and Huang (2012) found gender differences in ethical intentions and moral judgment in accounting students, but found those differences were negligible for accounting practitioners, suggesting that these differences fade in the workplace. Also, White (1999) had similar results for gender differences in moral reasoning. His results indicated that women employed in the public sector had higher levels of moral reasoning than their male counterparts. Whipple and Swords (1992) found consistently higher business ethics for female college students than for their male counterparts in both the U.S. and in the U.K. However, the number and the strength of differences for survey responses between males and females are still somewhat surprising. There were 41 comparisons made in each of the three

columns of results referred to above and presented in Table 1, which totals 123. Of those 123 comparisons, a total of 54 were significantly different between the genders (44%) at least at the 5% level.

When comparing responses from males between schools, three instances were found where responses from males majoring in business were significantly higher than from males majoring in humanities: (statement number 19) If a group decides together to do something harmful, it is unfair to blame any one member of the group for it, (statement number 22) People don't mind being teased because it shows interest in them, and (statement number 26) If someone leaves something lying around, it's their own fault if it gets stolen. Notably, the single difference found between the two subgroups, based on major was also for statement number 26. In order to better understand the responses that were significantly different between males majoring in business and the males majoring in humanities, the mean score for the three differences for both groups was determined. The means and the medians for male business majors and male humanities majors for the three statements where a significant difference was found is presented in Table 2 in the appendix. The mean and the median for the all business majors and all humanities majors for statement 26 is also presented in Table 2.

For Statement 19, the mean average score for male business majors was 4.444, which is about half way between 4 (neither agreed nor disagreed) and 5, but the mean average for male humanities majors was closer to 3 and farther away from "neither agree nor disagree." The median was 5.0 for the male business majors and only 4.0 for the male humanities majors. Hence, male business majors slightly agreed with the statement, but male humanities majors did not. For Statement 22, the mean average for male business majors was closer to 3, but the mean average for male humanities majors was closer to 2. The medians were 3.0 and 1.0, respectively. Thus, male business majors did not agree with the statement, but male humanities majors did not agree with it at all, based on the median. Their mean average indicates they agreed with it less than did their counterparts majoring in business. The mean average for male business majors for Statement 26 was closer to 5, with a median of 5, but the mean average for male humanities majors was closer to 4, with a median of 3. Thus, male business majors slightly agreed with the statement, but the male humanities majors did not. Finally, the mean for all business majors for Statement 26 was very close to 4, with a median of 4.5, but the mean for the male humanities majors was just over 3, with a median of 3. Therefore, on average, the male business majors neither disagreed with the statement, but the median indicates slight agreement with it. The male humanities majors slightly disagreed with it. Thus, in no case were the mean average responses from males for these items far to left of the Likert scale (strongly disagree), but the median for Statement 22 was 1 for male humanities majors (strongly disagree).

These results are somewhat inconsistent with previous research in the area of ethical development differences between business students and liberal arts students. For example, Jeffrey (1993) found higher levels of moral development for accounting majors than for liberal arts students. Neubaum, Pagell, Drexler, Mckee-Ryan and Larson (2009) found no differences in personal moral philosophy between business and non-business students. However, our findings are consistent with Segal, Gideon and Haberfield (2011) who found that business students were more willing to accept unethical conduct than criminal justice majors.

To summarize the findings of this pilot study, only one significant difference of the 42 comparisons was found when comparing all business majors with all humanities majors. However, several differences were found when comparing responses from males and females both for the total sample and within each major classification. In every case, males exhibited a

higher level of moral disengagement than did the females. Finally, when comparing females between majors, no differences were found, but three differences were found when comparing males by major. In every case where a difference arose, male business majors were more likely to agree with the statement than male humanities majors, indicating a higher level of moral disengagement.

There are certainly limitations to this study. Only students enrolled in one general education course at one university completed the survey and their selection was not random. Further, only lower division students were surveyed and ethical maturity may have not yet occurred. However, these limitations may be addressed with future research related to this topic.

APPENDIX

Table 1: T-Tests

Statement	Business and Humanities by School	Business and Humanities by Gender	Business by Gender	Humanities by Gender	Females only	Males only
1	1.17	***4.79	**2.80	***3.77	0.23	1.14
2	-0.29	1.57	**1.96	0.87	-1.08	0.50
3	0.35	***3.15	***4.54	1.35	-1.73	1.81
4	0.78	**2.24	0.83	**2.16	0.94	0.00
5	1.64	1.80	1.56	1.32	0.78	1.40
6	-0.41	1.66	1.74	1.18	-0.88	0.03
7	-0.16	**2.18	**2.29	1.39	-1.06	0.52
8	0.18	**2.49	0.16	***3.14	1.26	-1.17
9	-0.34	1.78	1.80	1.44	-0.76	0.05
10	0.91	***2.61	**2.26	1.73	-0.84	1.26
11	0.34	***2.88	1.91	**2.44	-0.19	0.31
12	-0.37	1.80	1.32	1.63	-0.48	-0.21
13	0.22	-0.32	-1.15	0.45	1.09	-0.89
14	0.08	1.45	0.23	1.69	0.53	-0.48
15	1.00	0.59	0.74	0.12	0.23	1.23
16	0.22	0.51	1.44	-0.23	-0.81	1.21
17	-0.15	-0.56	-1.16	-0.08	0.51	-0.61
18	0.60	0.44	0.83	0.06	-0.25	0.54
19	1.68	-0.46	0.46	-1.06	0.56	**2.03
20	0.30	0.77	0.81	0.44	-0.14	0.53
21	-0.93	1.76	1.72	1.40	-1.15	-0.26
22	0.94	1.59	***3.99	0.15	-1.01	**2.57
23	0.17	1.73	**2.57	0.75	-0.94	1.32
24	0.44	***3.41	***3.76	**1.98	-1.30	1.35
25	-0.18	***2.68	1.34	**2.44	-0.21	-0.57
26	**2.16	1.19	1.07	0.43	0.81	**2.09
27	0.56	***3.52	1.86	***3.25	0.32	0.19
28	-0.37	**2.37	1.45	**2.17	-0.42	-0.38
29	0.73	**2.11	0.67	**2.23	0.91	0.05
30	0.60	***3.93	**2.06	***3.65	0.54	0.07
31	-0.18	***3.53	1.25	***3.30	0.14	-0.58
32	0.27	***3.11	1.22	***2.77	0.32	-0.14
MJ	0.70	***4.15	***3.95	***2.79	-0.58	1.18
EL	0.52	***3.34	1.94	***2.99	0.40	0.09
AC	0.17	***2.88	**2.38	**2.23	-0.78	0.46
DISR	0.53	0.89	0.28	0.98	0.52	0.18
DIFR	0.84	-0.03	0.37	-0.33	0.30	0.92
DC	0.13	***2.70	***3.91	1.33	-1.55	1.44
AB	0.99	***3.43	**1.99	***2.90	0.27	0.65
DEH	0.44	***3.69	1.41	***3.64	0.63	-0.16
Alltotal	0.83	***3.79	***2.91	***2.87	-0.14	0.92

significant at 5%, *significant at 1%

Positive t-score=males have higher mean or business major has higher mean

Table 2: Means / Medians

Statement	Male Business Majors	Male Humanities Majors
19	4.444 / 5.0	3.182 / 4.0
22	3.056 / 3.0	2.136 / 1.0
26	4.556 / 5.0	3.273 / 3.0
Statement	All Business Majors	All Humanities Majors
26	4.053 / 4.5	3.170 / 3.0

Strongly Disagree			Neither			Strongly Agree	
1	2	3	4	5	6	7	

Choose a number from 1 to 7 from the scale above, based on how strongly you agree or disagree with each statement. Put the number in the space provided.

1. ___ It is alright to fight to protect your friends.
2. ___ It's ok to steal to take care of your family's needs.
3. ___ It's ok to attack someone who threatens your family's honor.
4. ___ It is alright to lie to keep your friends out of trouble.
5. ___ Sharing test questions is just a way of helping your friends.
6. ___ Talking about people behind their backs is just part of the game.
7. ___ Looking at a friend's homework without permission is just "borrowing it."
8. ___ It is not bad to "get high" once in a while.
9. ___ Damaging some property is no big deal when you consider that others are beating up people.
10. ___ Stealing some money is not too serious compared to those who steal a lot of money.
11. ___ Not working very hard in school is really no big deal when you consider that other people are probably cheating.
12. ___ Compared to other illegal things people do, taking some things from a store without paying for them is not very serious.
13. ___ If people are living under bad conditions, they cannot be blamed for behaving aggressively.
14. ___ If the professor doesn't discipline cheaters, students should not be blamed for cheating.
15. ___ If someone is pressured into doing something, they shouldn't be blamed for it.
16. ___ People cannot be blamed for misbehaving if their friends pressured them to do it.
17. ___ A member of a group or team should not be blamed for the trouble the team caused.
18. ___ A student who only suggests breaking the rules should not be blamed if other students go ahead and do it.
19. ___ If a group decides together to do something harmful, it is unfair to blame any one member of the group for it.
20. ___ You can't blame a person who plays only a small part in the harm caused by a group.
21. ___ It is ok to tell small lies because they don't really do any harm.
22. ___ People don't mind being teased because it shows interest in them.
23. ___ Teasing someone does not really hurt them.
24. ___ Insults don't really hurt anyone.
25. ___ If students misbehave in class, it is their teacher's fault.
26. ___ If someone leaves something lying around, it's their own fault if it gets stolen.
27. ___ People who are mistreated have usually done things to deserve it.
28. ___ People are not at fault for misbehaving at work if their managers mistreat them.
29. ___ Some people deserve to be treated like animals.
30. ___ It is ok to treat badly someone who behaved like a "worm."
31. ___ Someone who is obnoxious does not deserve to be treated like a human being.
32. ___ Some people have to be treated roughly because they lack feelings that can be hurt.

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